

ARTICLE APPEARED
ON PAGE D-1

NEW YORK TIMES
18 JUNE 1979

Technology Sales Rules Under Fire

By RICHARD BURT

Special to The New York Times

WASHINGTON, June 17 — The Carter Administration's system for controlling exports to the Soviet Union is suddenly under fire. Businessmen and politicians complain that it is too cumbersome, and security-minded Government officials fear that it has failed to keep American equipment from being used for military purposes.

The system for approving sales of advanced technology by American companies to Communist nations has frequently aroused controversy in the past. But the issue has taken on new importance with the Administration's interest in finding a way to normalize trade relations with the Soviet Union, one of the matters being discussed at the current meeting between Mr. Carter and Leonid I. Brezhnev, the Soviet leader, in Vienna.

Bureaucratic Feuds Cited

In recent interviews, White House, Commerce Department and Pentagon aides disclosed that bureaucratic feuding, a lack of high-level interest and gaps in intelligence had created serious problems for administering the export system. The officials said there was also little agreement in the Administration or the Congress over how the complex licensing system might be improved.

Legislators are battling over several proposed amendments to the 1969 Export Administration Act. Some of the amendments, such as imposing deadlines for Government response to sales proposals, are designed to facilitate greater trade. But others, such as giving the Defense Department a larger role in approving trade deals, are meant to do just the opposite.

"What we have is the worst of both worlds," said one Defense official involved in approving export licenses. "Companies are furious over what they see as all the impediments in doing business with Moscow but at the same time, we are not very successful in controlling the technology with real military potential."

Within the Administration, too, proponents of increasing trade are contending with officials who are concerned about the possible danger to Western security of selling Moscow advanced computers, machine tools and electrical equipment.

Under the present system, if an item is one of the several thousand products listed on the Government's Commodity Control List, an interagency Operating Committee, headed by the Commerce Department, must pass on the proposed sale.

Representative Jonathan B. Bingham, Democrat of New York, is sponsoring legislation to streamline this process. He charges that companies can wait months and even years before their proposed sales are approved. Such delays, he added, allow suppliers in other countries to take business away from American companies. By one count, the Commerce Department has a backlog of some 2,000 requests for licenses on exports to the East.

While acknowledging the bureaucratic obstacles, Defense Department and some White House aides said that 95 percent of the nearly 7,000 requests last year for the sale of sophisticated hardware to Moscow were approved.

3-Year Wait Hurts Company

But Mr. Bingham cited one instance in which an American company waited more than three years to obtain an export license to sell a process for fabricating metal skin for commercial aircraft. By the time the deal was approved, he said, Moscow had already bought the technology from a French company.

Upset over the red tape involved in exporting to the East, several companies, particularly computer concerns such as the Control Data Corporation and Sperry-Univac, have begun to push for less restrictive controls on Capitol Hill. They have been aided in this effort by such pro-trade groups as the National Governors Conference.

Other critics of the system are more concerned about the national security consequences of exports.

In most cases, American companies are directed to obtain "end use" agreements with Communist governments that prohibit them from diverting American technology to military uses. But the belief is widespread in the Pentagon that the accords are not properly monitored.

As one example, in closed testimony late last month to a session of the House Armed Services Committee, Lawrence Brady, acting director of the Commerce Department's Office of Export Administration, said there was evidence to suggest that computers installed by the International Business Machines Corporation at the Kama River truck plant were being used in the production of military vehicles.

At the Pentagon, other officials contend that Moscow has used American seismic equipment to enhance its anti-submarine warfare potential and that American machine tools for producing precision ball-bearings have probably helped Soviet engineers to develop mul-

According to officials in several agencies, the problem is made worse by a lack of high-level attention given to export controls.

At the Central Intelligence Agency, officials asserted that little work had been done on whether American exports had significantly added to Soviet military potential — in part, they said, because the topic failed to excite Stansfield Turner, the C.I.A. director.

Senior Officials Disagree

Even when senior Administration aides do focus on export controls, they frequently disagree. Last summer, for example, Zbigniew Brzezinski, Mr. Carter's national security adviser, and James R. Schlesinger, Secretary of Energy, pushed for controls to be placed on the sale of oil technology to Moscow. That move was strongly resisted by Secretary of Commerce Juanita M. Kreps and Secretary of State Cyrus R. Vance.

In the absence of high-level attention, disputes between middle-level officials assumed greater significance.

The infighting is apparently most intense in the Commerce Department. While Mr. Brady of the department's Office of Export Administration favors tougher controls, his superior, Stanley Marcuss, the principal deputy assistant secretary for trade and industry, backs increased trade with the East.

Key Posts Left Unfilled

According to Mr. Brady, their dispute has contributed to delays and confusion in the export control system because the two officials have been unable to agree on how specific export requests should be handled. In an interview, he charged that morale in the Office of Export Administration was at "rock bottom" and asserted that senior Commerce Department officials had allowed key posts in the office to remain vacant for months.

In response, Mr. Marcuss denied that he had downgraded the Office of Export Administration and said a "vigorous search" was under way for qualified people for the unfilled positions. He also contended that the problems that beset the export control process were not simply a result of internal disputes.

"This is an inherently difficult system to administer," he said. "Unless you want to impose a strict embargo on trade with the Soviet Union, and nobody does, you are going to encounter differences that lead to a certain amount of delay and confusion."